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RV Bulletin

JUNE 2, 1989

VIDEO ATTRACTIONS: Manufacturers videotaped presentations about RV sales and service policies, RV sales ads, and dealers present their opinions on the most effective advertising [illegible] as well as their ideas on ways to use tapes to generate sales. See page 34.

Enforcement of Electric Code Will Force Model Changes, May Disrupt RV Produc

Tougher state interpretations of an existing electrical code standard could result in significant production problems for RV makers if state inspectors elect to enforce the code before manufacturers have an opportunity to make mandated changes.

At issue, according to Bruce Hopkins, vice president of standards for the RVIA, is a section of the national electrical code that has been on the books since 1981 but has been given a different interpretation or simply overlooked by code inspectors until now. However, following a recent review of the code, a Washington state inspector notified RVIA that the code must be enforced under the more strict interpretation and also notified other states of Washington's decision. Now other states have also elected to adopt the more stringent view of the code, said Hopkins.

Specifically, they are now saying that the furnace in the RV exceeds 50 amps. The regulation mandates either a 50-amp power cord or installation of a 50-amp circuit breaker. Hopkins explained. "If you look at the industry you will find that more than 90% of the RVs made today

Park-Model Makers Gear Up for Increased Demand

Tim Howard sees nothing but good things for the park-model business in 1989 and beyond. Howard, vice president and general manager of Nappanee, Ind.-based Mallard Coach Co. Inc.'s park-model division, believes that the public is just starting to discover "destination camping," and that as they do, more and more people will want to own an affordable "weekend retreat" in the form of a park model.

And Howard is not the only one who is optimistic about park trailers. Two other major manufacturers are gearing up for increased business.

RC Industries Inc., Goshen, Ind., for one, has seen its park-model sales double in the first quarter of 1989 compared with the same 1988 period. "The market picked up earlier in the year," said President David D. Berkey. "If that's an indicator for

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Advertising on television can be an effective and affordable way to promote RV sales. A glossary of TV advertising terms rounds out this discussion of factors such as TV costs, the content of commercials and ad timing and placement.

Video Attractions 34

Now that dealers have begun to emphasize the selling potential of short well-made video-taped presentations about RV units, they have also begun to develop their own ideas on how to make the best use of the video trend.

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COVER ILLUSTRATION: STEVE BJORKMAN

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RV SALES DOWN IN MARCH

GAYLORD MAXWELL

Our Dealer Advisory Board (DAB) members found the going tough in March. Not only was the total sales volume down from March '88, but so were unit sales of *all* five RV categories in both new and used. Sixteen of the 23 board members reported their sales volumes down, grosses tended to be weaker than normal, and bottom lines suffered.

New inventories were high for most DAB members; some said they were higher than they have ever been. On the other hand, used inventories tended to be low.

Year-to-date, overall, the picture was slightly better, thanks to improved sales in January and February. Sales volume for the dealer board was still up slightly. New units were barely holding in the plus column, while used sales were off a bit. In sales volume, the DAB was about equally split between those who were up and those who were down.

The bottom has not fallen out of the RV market by any means, but it was apparent in March that the sledding was getting rougher. The culprits were undoubtedly higher gas prices and increased interest rates. Conservative buyers tend to back off when operating costs go up and monthly payments increase.

Three potential problems should be of concern in the months ahead: (1) If dealers' lots are full of new units, they won't be ordering more; (2) low grosses tend to perpetuate low grosses, so already thin bottom lines could get thinner; and (3) the scarcity of used units could hurt overall sales, a great deal since, in these times of very high unit prices, used merchandise is very much in demand.

Motorhomes

After an impressive start in January, sales of new motorhomes have been off last year's pace for two consecutive months. Eleven DAB members were down from last March, five were up, and two were the same. Four of those dealers who were up had increased their sales by only one or two units, whereas, several of those who reported sales declines had dropped by as many as five to eight units. Larger dealerships were about evenly divided between ups and downs.

Gross profit ratings on new units were generally in the fair or good columns. Grosses on used sales tended to be better.

From all indications, the motorhome business is going to get even tougher in the coming months. Quite likely, we'll see some fall-out among the marginal dealerships. Some of the small, multitype dealerships undoubtedly will drop motorhomes and focus more on trailers.

Travel Trailers

After two months of pluses, the March report showed a decided drop into the minus column by new units. Ten DAB trailer dealers were off the previous year's mark, several of the larger dealerships were down drastically. Although seven board members were up, four were ahead by only one unit each. Used sales were off by several percentage points.

Year-to-date, new units were still ahead of last year, but only by a few units. Used sales were down significantly.

After an impressive first two months, it seems that trailers are not going to be as popular this year as first appeared.

Truck Campers

In spite of the fact that the highways seem filled with relatively new trucks and campers, new-unit sales figures for the DAB members who carry this type of unit did not indicate a boom in progress. Even though the unit difference wasn't great, the 29% new-unit sales decrease in March was impressive. Used units were off last year's pace by a little less. Profits were quite good, however.

Even though our figures showed that sales of this RV type were on the sluggish side, there were reports of excellent sales and profits by a few dealers who found the right combination.

Folding Camping Trailers

After February's boom in fold-downs, March was more of a bust. Actually, the decline wasn't that great, but the good lead that dealers of this RV type had gained for the year dwindled to a mere 1% advance over '88. Our DAB members were about equally divided between the ups and the

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	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
MOTORHOMES	155	183	−15	459	453	+ 1	159	175	− 9	412	410	(+1%
TRUCK CAMPERS	27	38	−29	53	69	−23	19	25	−24	41	64	−36
FIFTH-WHEELS	37	41	−10	108	100	+ 8	18	20	−10	59	61	− 3

	FOR MONTH			YEAR-TO-DATE		
	MARCH 1989	MARCH 1988	% CHANGE	1989	1988	% CHANGE
TOTAL UNIT SALES	833	945	−12	2,075	2,119	−2
USED-UNIT SALES	355	384	− 8	848	901	−6

The "DAB Perspective" is a compilation of data provided by *RV Business* Dealer Advisory Board, a group comprised of 25 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dasson,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Leonard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Wayne Peay,** Albuquerque, N.M.; **Ed Peterson,** Lafayette, Ind.; **Bill Pifer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

DAB PERSPECTIVE *from page 19*

downs. Used sales of this type were unique in that they were the only type in the plus column. Profits were rated fair to good.

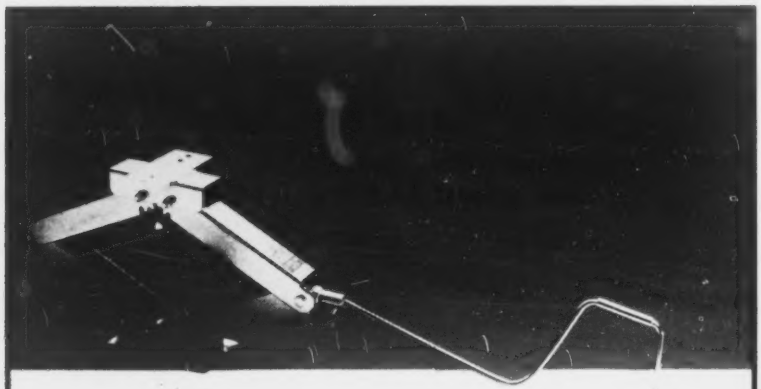
High gas and interest prices should work in favor of sales of this RV type. Unfortunately, logic can't always be applied to the RV business.

Fifth-wheels

After so many months of reporting the good news about fivers, it appears that a corner has been turned. March was the second consecutive month that the DAB reported new-unit sales down from the corresponding month last year. The actual unit differences weren't great, but the fact that they dropped at all seemed strange. Most dealers were about where they were last year at the same time, but one very large fifth-wheel board member stubbed his toe badly in March, and that brought down the total. Profits were rated higher than for any other type.

Year-to-date, the picture was better. The 8% increase over the previous first quarter was the best of any type.

Retirees are the big buyers of fifth-wheels, and they tend to be conservative. Perhaps they are just waiting for prices to drop a bit. Δ



A chromed handle with speed handle grips makes it easy to operate each B.A.L. Leveling Jack to a maximum 5000 lbs. capacity. The Leveling Jack's heavy duty steel construction insures years of dependable operation and the zinc plating helps prevent rusting. Fits most models of motorhomes, travel trailers and 5th wheels, providing a closed height of 4 3/4" that extends to 24 3/16".

B.A.L. Leveling Jacks. They're *ROCK SOLID.*

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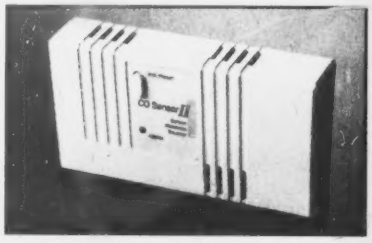
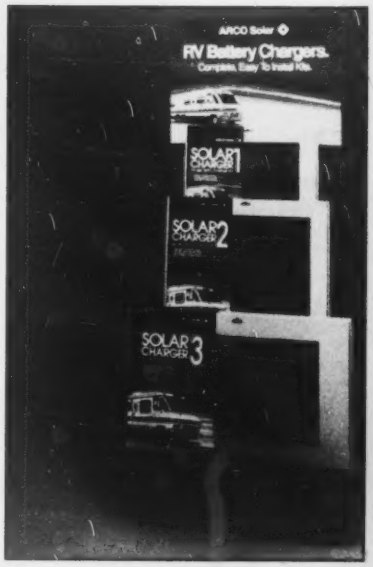


Asahi Electronics Markets Carbon-Monoxide Detector

Asahi Electronics Inc., Markham, Ontario, in association with Atomic Energy of Canada, has developed a detector that can sense carbon-monoxide gas at low levels. The warning device operates on a 9-volt battery and has an infinite sensor life. The heart of the sensor is a catalyst with a polytetrafluoroethylene coating, which protects the unit from water. Asahi Electronics Inc., 30 Alden Rd., Unit 4, Markham, Ontario, Canada L3R 2S1.



New Line of Solar Chargers Released by ARCO Solar

ARCO Solar is offering a full line of solar-electric charger kits, including battery-trickle chargers to large charging modules for on-board appliance power. The chargers offered by ARCO include a 2-pound, 2.5-watt charger; a 4-pound, 5-watt charger; a 6-pound, 22-watt charger; and an 11-pound, 35-watt charger. The chargers will generate power on cold or partially overcast days, because they generate electricity from light, not heat, reports the company. Energy stored in the battery during the day can be used at night. ARCO Solar Inc., P.O. Box 6032, Camarillo, Calif. 93010.